

AMENDED IN ASSEMBLY JANUARY 4, 2016

AMENDED IN ASSEMBLY APRIL 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1180**

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**Introduced by Assembly Member Cristina Garcia**

February 27, 2015

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An act to ~~amend Section 755~~ *add and repeal Section 755.5* of the Public Utilities Code, relating to utility service.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1180, as amended, Cristina Garcia. Rates and charges for ~~electric, gas, and water service: credit or debit card payment.~~ *payment transaction fees.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, and water corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law authorizes an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and, upon approval, authorizes an electrical, gas, or water corporation to ~~recover~~ *recover, through an individual customer transaction fee*, reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose to ~~pay by those payment options.~~ *those methods of payment.* Existing law includes statements of legislative intent relative to electrical, gas, and water corporations offering customers the option to pay by credit card or debit card.

~~This bill would delete the express authorization for an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and, upon approval, recover reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose to pay by those payment options. The bill would revise the statements of legislative intent to state the intent of the Legislature that customers of electrical, gas, or water corporations be allowed to pay their utility bills with forms of payment that are generally accepted in the retail marketplace and that the commission maintains its existing regulatory authority over the reasonableness of expenses incurred by an electrical, gas, or water corporation for providing customers the option of paying their bills by credit card and debit card through existing regulatory mechanisms.~~

*This bill would, until January 1, 2025, authorize a water corporation with more than 10,000 connections to seek commission approval to operate a pilot program designed to evaluate customer interest in, and utilization of, bill payment options, including, but not limited to, credit card and debit card bill payment options, for their water bills and to assess the cost-effectiveness of, and public interests served by, customer access to those bill payment options. The bill would require the commission to allow a water corporation to recover the reasonable expenses incurred by the water corporation in providing its customers with these bill payment options, and to allow water corporations to not impose a transaction fee on its customers for using these bill payment options. The bill would require the commission, by July 1, 2023, to submit a report that includes data regarding customer utilization and the cost-effectiveness of the bill payment options provided under the pilot program. The bill would require the report, based on this data and an assessment of the public interests served by these bill payment options, to evaluate the usefulness of an individual customer transaction fee and include a recommendation regarding individual customer transaction fees for credit card and debit card bill payments accepted by water corporations.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. Section 755.5 is added to the Public Utilities*
- 2 *Code, to read:*

1     755.5. (a) A water corporation with more than 10,000 service  
2     connections may seek, through its general rate case application,  
3     commission approval to operate a pilot program designed to  
4     evaluate customer interest in, and utilization of, bill payment  
5     options, including, but not limited to, credit card and debit card  
6     bill payment options, for their water bills and to assess the  
7     cost-effectiveness of, and public interests served by, customer  
8     access to those bill payment options.

9     (b) Notwithstanding Section 755, the commission shall allow a  
10    water corporation to recover the reasonable expenses incurred  
11    by the water corporation in providing to its customers bill payment  
12    options pursuant to subdivision (a) and shall not require the water  
13    corporation to impose a transaction fee on its customers.

14    (c) The commission shall ensure that accepting bill payment  
15    options pursuant to subdivision (a) neither increases nor decreases  
16    the rate of return of the water corporation.

17    (d) This section shall remain in effect only until January 1, 2025,  
18    and as of that date is repealed, unless a later enacted statute, that  
19    is enacted before January 1, 2025, deletes or extends that date.

20    SEC. 2. By July 1, 2023, the commission shall submit to the  
21    Assembly Committee on Utilities and Commerce and the Senate  
22    Committee on Energy, Utilities and Communications a report that  
23    includes, on an aggregated basis, data regarding customer  
24    utilization and the cost-effectiveness of the bill payment options  
25    provided by the water corporations operating pilot programs  
26    pursuant to Section 755.5 of the Public Utilities Code. Based on  
27    this data and an assessment of the public interests served by  
28    providing these bill payment options, the report shall evaluate the  
29    usefulness of the individual customer transaction fee required by  
30    Section 755 of the Public Utilities Code, and include a  
31    recommendation regarding individual customer transaction fees  
32    for credit card and debit card payments accepted by water  
33    corporations.

34    ~~SECTION 1. Section 755 of the Public Utilities Code is~~  
35    ~~amended to read:~~

36    ~~755. It is the intent of the Legislature that:~~

37    ~~(a) Customers of electrical, gas, or water corporations be allowed~~  
38    ~~to pay their utility bills with forms of payment that are generally~~  
39    ~~accepted in the retail marketplace.~~

1     ~~(b) An electrical, gas, or water corporation that offers customers~~  
2     ~~credit card and debit card payment options, recover the reasonable~~  
3     ~~expenses incurred by the electrical, gas, or water corporation for~~  
4     ~~providing the customers the option of paying their bills by credit~~  
5     ~~card and debit card.~~

6     ~~(c) The acceptance of credit cards and debit cards neither~~  
7     ~~increases nor decreases the rate of return of the electrical, gas, or~~  
8     ~~water corporation.~~

9     ~~(d) The commission maintains its existing regulatory authority~~  
10    ~~over the reasonableness of expenses incurred by an electrical, gas,~~  
11    ~~or water corporation for providing customers the option of paying~~  
12    ~~their bills by credit card and debit card through existing regulatory~~  
13    ~~mechanisms.~~